Commission on Streamlining Government

Senator Jack Donahue, Chairman Roy O. Martin, Vice Chair Angele Davis, Commissioner of Administration Barry Erwin Brett F. Geymann, Representative Leonal Hardman John Kennedy, State Treasurer Lansing Kolb Mike Michot, Senator Jim Morris, Representative



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MINUTES FROM THE 2009 LISTENING TOUR

September 30, 2009 Lake Charles City Council Chambers 326 Pujo Street Lake Charles, Louisiana **DATE APROVED:** 11-03-09

MEMBERS PRESENT MEMBERS ABSENT

Senator Donahue Roy Martin Barry Erwin Commissioner Angele Davis

Rep. Brett Geymann Treasurer John Kennedy

Rep. Jim Morris Lansing Kolb Leonal Hardman Senator Michot

INVITED LEGISLATORS/GUESTS **STAFF PRESENT**

Senator Willie Mount Tim Prather, Commission Coordinator Trudy Fourmy, Commission Secretary Rep. Mike Danahay Rep. John Guinn

WITNESSES PRESENT

Evan Spiceland

Geralyn Simon, SWLA Center for Health, Lake Charles Mylinda Elliot, Parent of child w/disability, Lake Charles Susan Benoit, Parent of child w/disability, Lake Charles Connie Aranger, Beauregard Council on Aging Stuart Weatherford, Lake Charles City Council, Lake Charles Randy Roach, representing self, Lake Charles Lollion Elmer, representing self, Lake Charles Dinah Landry, Cameron Council on Aging, Grand Lake

CALL TO ORDER / COMMISSION MEMBER COMMENTS I.

A meeting of the Streamlining Government Commission was held on September 30, 2009, at the Lake Charles City Council Chamber in Lake Charles, Louisiana. The meeting was called to order at 9:15am.

Senator Donahue welcomed everyone to the meeting and introduced the panel. Senator Donahue explained that the Streamlining Government Commission came about last session as it became apparent that there would be very severe deficits in the state budget. He said that the costs to operate the state are spiraling to the point that there is a one million dollar deficit this year. There are changes that are occurring in Medicaid in the state of Louisiana, whereby the percentage that the federal government pays back to the state of Louisiana is decreasing due to the fact that income in the state has risen since Hurricane Katrina. Senator Donahue sponsored Senate Bill 261 as a legislative effort to begin to control costs in the state. The bill became Act 491, creating a ten person commission from which five advisory groups have been created and are meeting regularly to address their respective areas.

Senator Donahue read Act 491 to the audience in order to clarify the purpose of the commission. He pointed out that the areas of higher education are not addressed by this Act but are being addressed in other venues. He further explained that this is part of the "Listening Tour" that, at its conclusion, will have visited five areas of the state. On October 13th, the commission will begin receiving recommendations on how to start streamlining government, and this would continue until mid-November. On December 15th, the commission will have a preliminary report On January 4th, the final report will be submitted. In February the report will then go to the Senate and House Governmental Affairs committees for their review, as well as their thoughts on the specific recommendations, with the end goal being a possible legislative package. The hope is to go on another tour at that point to present the package to the public, soliciting their help in getting the package passed. It will be necessary to get the public involved in getting this accomplished, as there will certainly be difficult issues to be dealt with. Senator Donahue then asked for opening statements from the officials who were present.

Senator Willie Mount welcomed the public as well as the panel to the meeting and thanked Senator Donahue for his leadership in working with the administration on this issue. She stated that in 2006 she met with Mayor Roach and discussed organization and streamlining of government. A result of that meeting was Senate Bill 224 which was a constitutional amendment to do some of the things that are being discussed now. Senator Mount stated that her point is that the discussion needs to be continued as a vehicle to utilize as the process is continued, and she looks forward to what others have to say.

Mr. Hardman offered comments to the public that they are being offered the opportunity to be part of the process as tax payers, they deserve to be a part of the decisions that will be rendered from the commission and presented to the legislature.

Senator Donahue reported that the commission has five advisory groups with two commission members on each, three others to serve the respective group. Each advisory group acts independently to gather information and make recommendations which the commission can then accept, reject or modify. The final report information will begin to be gathered on October 13th. He then named the advisory groups and their chairmen.

II. PUBLIC TESTIMONY

Mylinda Elliot, the parent of a child with a disability, first came before the commission. She has a twenty-one year old daughter with Autism who receives waiver services. Ms. Elliot has worked to increase funding for waiver services. She reported her recommendations to the commission, two

that dovetail perfectly with something that she has been working on for several years. One is closing some of the developmental centers in the state due to low population. Years ago, developmental centers were state-of-the-art, but have since been providing care in people's homes, which is much less expensive. Resource allocation is the other item that she has interest in. Resource allocation is built around the premise that people with different disabilities need different levels of support, and there are a couple of tools to be able to identify what those levels of support are. Resource allocation is currently being phased in with those who are receiving waiver services. They would like to see resource allocation for those in developmental centers, as some of these patients could live on their own. When Metropolitan was closed, the patients were given the choice of whether to enter another developmental center, going into a group home, or receiving waiver services. A lot of the people decided to live out in group homes in the community and are doing so successfully. She said that if a determination could be made about people's needs, then some could move into the community, using resource allocation.

Senator Donahue asked if the plan she's proposing is from the Developmental Disability Council. She said that it is. The Developmental Disability Council works with people in the community, putting together fact sheets, and depending upon what is being done at the time, will bring out points in different areas to be highlighted. She stated that two of the points that relate to what the commission is doing were developmental centers and resource allocation.

Senator Donahue asked if the cost of \$171,000 per resident would be the same if the patient were in a private residence. Ms. Elliot said that it depends on what Senator Donahue meant by "private home." She explained that on the handout it refers to "NOW" slots, which is "New Opportunity Waiver" which is what her daughter is involved in, and that is the average cost of those receiving waiver slots.

Senator Donahue asked if the cost would be the same in private facilities that are not state owned, but do the same developmental work. Ms. Elliot said she does have information on those types of facilities, but not with her at this time. She said she could get the information to him. Senator Donahue said that he was under the impression that if one compared the \$171,000, the figure that would be comparable for the same services in a private setting would be in the neighborhood of \$80,000. Ms. Elliot did not recall the exact figures.

Senator Donahue stated the information is very valuable to legislators, and would like to see the missing piece added as it is important that it be included as well. He questioned if the resource allocation model that Ms. Cathy Clebert is touting, creating five levels of care, would save sixteen million dollars to be retained to use for additional waiver slots. He said the problem is that though the legislature has funded an additional 2,000 waiver slots, they have not been enacted, and people are not being moved off the waiver list. There was a time when about thirty per month were being moved but it has slowed down, and he doesn't know why. He said Ms. Clebert should be able to answer that. Ms. Elliot said that her understanding is that they are awaiting some sort of approval for resource allocation and in that process, Office for Citizens with Developmental Disabilities figured out that they could start implementing it right away and that was the slow down. Then when there's a hurricane it slows down the process as well, as there's a process for operating those slots to people, as it can take time to acclimate someone new to the process. She said that she thinks it's going quicker now, but the resource allocation still has to be done, and this takes time, about three or four meetings to complete.

Mayor Roach welcomed the commission to Lake Charles, thanking them for including Lake Charles on their tour. He stated that he had a few recommendations to offer and that he feels the commission has a unique opportunity to redefine the way that Louisiana does business. He suggested that it's not just about the way the state does business, but the locals as well, because this is where the service to the community begins, and should be a partnership. What is considered in terms of streamlining at the state level also needs to be considered with local government as well. He said that he wanted to follow up on Senator Mount's comments on Senate Bill 224. There was a discussion in 2006 about the idea, especially post-Rita and Katrina, to enable the legislature to deal with some of the tough issues, based on the federal government's lead on dealing with issues. One example was the issue of closing military bases by forming a special commission to deal with it. Once the commission gave recommendations, if the Senate did not reject those recommendations, they became procedure. He stated that state and local governments have a relationship that needs to be considered in this process, and asked if there is a sub-committee that is looking at anything particular as it relates to local government. Senator Donahue said that there is not.

Mayor Roach thought at some point during discussions this needs to be looked at because what is done at the state level obviously has an impact on the local level. He said that many things have changed since the nineteenth century such as travel, technology etc., yet the way government operates is the same as it was in the nineteenth century.

Senator Donahue said that three types of proposed changes would come out of the commission: statutory, administrative and constitutional changes. He said the administration would take the proposals up as they choose. Legislatively, the legislature would make that decision, and at this level, there would be the opportunity for contact with local level government. He reported that the commission is empowered through 2012 to make sure that the proposals that are made and chosen to be acted upon actually get approved and into government. He said that having read the secure report and the "Cut the Fat" report of 2001, there were great recommendations made in those reports that never came to fruition. He said that now things are a little different, as there is one billion dollars that needs to be cut and something will have to change. He said in Shreveport vesterday, it was said that changes are coming and the commission has the opportunity to help decide what the priorities in the state are so that the proper decisions are made about where to execute the cuts to move the state in the right direction. He said in the past, the governor would be responsible for making the cuts, though not in a vacuum, but now the commission has the opportunity to gather information from around the state, listen to what local officials and citizens have to say, and then put together a package, hopefully with the governor's office, that will work to get this done for Louisiana.

Mayor Roach stated that economics is what drives everything, but it needs to be kept in mind that economics will affect local government as well and that as the commission functions, it would be helpful to remember that it will have profound impact on local governments and services and such.

Representative Morris said that he would like to talk with Mayor Roach about the struggle with civil service, and he knows that Representative Danahay has worked in trying to get civil service moving forward. He felt that there will be things coming out of the commission that will be beneficial to them.

Ms. Dinah Landry, Cameron Council on Aging, spoke next. She said that they are concerned about the plan to put the Governor's Office on Elderly Affairs into DHH. There are many reasons for their

concerns, and they do believe in streamlining government as they have been streamlined for a number of years, especially under the direction of Dr. Guillot. They have learned to reduce their unit costs without reducing unit-to-service. There is a forty-four million dollar budget to service over eighty-thousand senior citizens per year. They are concerned that if they are moved under DHH that they will lose some of the identity in the shadow of some of the huge programs. They leverage every state dollar that they receive with three dollars locally, and those situations will cease if they are put under DHH right now. They have successfully reduced costs in many ways with local fund raisers, with support from local United Way organizations. They appreciate the tasks ahead of the commission, but encourage the commission to take a good look at this recommendation because they would like aging programs to remain under the Governor's Office of Elderly Affairs.

Senator Mount asked Ms. Landry why she thinks that the three to one match would go away if they were under DHH. Ms. Landry replied that under the Governor's Office of Elderly Affairs they have local programs, projects and leveraging that they will probably not be allowed to do. They have had programs in the past under DHH and they were not operated this way. She said there is no ability for local contributions under DHH. Senator Mount didn't know why they wouldn't permit this, as it's the same process with federal and state matches. She asked if DHH agrees or puts in writing that the matches would continue would there still be an objection at that time. Ms. Landry said yes, there would be, as the match is only one issue.

Ms. Landry said that the Council on Aging provides more than health services, proving services for the whole person, which is what they do by nature for people over the age of sixty, regardless of their income status. There will be a lot of limitations on people who will not meet the "standards" that are normally in DHH programs.

Commissioner Davis asked Ms. Landry if she is coming to these conclusions as a result of conversations that she's had with DHH. Ms. Landry said it was based on past experiences, as well as some programs that are still ongoing between the Council on Aging and DHH. She did not have definite information as to how things would be done, but the senior citizens of the state of Louisiana deserve to have their programs, and to be treated with respect with their programs, and she felt that with DHH they would get lost in the shuffle.

Ms. Davis asked if she would be willing to have a discussion with the policy makers at DHH regarding their concerns. Ms. Landry said that they would. Ms. Davis stated that the point is not to move one office into another, but to try to leverage the ability to serve a similar clientele that DHH serves to maximize services provided to the clients. Ms. Landry suggested taking the aging programs that are under DHH and combine them with the Governor's Office of Elderly Affairs, and all of the aging programs would be under one umbrella. Ms. Davis said that she thinks this is a similar thought process, and the governor's office is not structured to administer programs for normal departments, and with the governor's office being a small office, the thought process is to maximize the ability to provide all the services and make them all accessible to the clients. Ms. Landry added if they were just focusing on elderly citizens, then the Governor's Office of Elderly Affairs, and the Councils on Aging, have operated the services in the past and the aging services bureau is in DHH is operating now. She said they have not been doing this for very long, and when they had those services, they did a very good job of streamlining as the services were not that expensive. Ms. Davis said that they look forward to having that dialogue with them, as the department and governor's office are interested in making sure that everyone has access to all of the services that are available.

Senator Mount added that the ladies have considerable experience in serving their population, and have been a help to her. She thinks everyone is on the same page, and the opportunity to meet with DHH would probably help everyone to come up with the right plan.

Stewart Weatherford, a city councilman in Lake Charles, next addressed the commission. Mr. Weatherford said that he knows state civil service is being looked at and thinks that local civil service needs to be addressed, as well as some issues at that level. He realizes that civil service is important to have and there are protections that need to remain in place, but there are inefficiencies on the local side that need to be streamlined.

Lollion Elmer said that she came in to listen, and appreciated the opportunity to address the commission. She feels all of this is good, but if nothing is implemented, it's just lip service and a waste of a lot of people's time. She does support Mr. Kennedy's recommendation about reducing employees through attrition. She knows that a lot of departments are hiring additional employees who don't have the needed skills. She would suggest that if the employees don't have the necessary skills, the people with the necessary skills need to be found. The suggestion to reduce the vehicles is good, but she would like to see that the vehicles utilize the same type of vehicle without any luxuries.

Representative Danahay said that Ms. Elmer makes her thoughts well known to her delegation on a variety of subjects. He said to Ms. Elmer that many times people who are being hired are unclassified employees, as those who are classified are matched to their skill-set when hired. Specialized positions are generally unclassified, and this is what she's seeing in the media. Further the increases in state employees recently seems to be in these unclassified positions.

Geralyn Simon, an Outreach educator with the Southwest Louisiana Center for Health, said that she read information recently about oil reserves off the coast of Louisiana and Texas, and it would be the year 2019 when those reserves would be brought up to the surface. She asked if the revenue that is possible from this would be taken into account when streamlining conversations are held. She said she knows that the commission will be dismissed prior to that time. She thought putting it into a reserve fund in case of another deficit in the future, with specifications about how it could be used, might be helpful.

Senator Donahue mentioned the Rainy Day Fund which was tapped into last year, but did not think that money had been replaced. Ms. Davis said that a third of a third of it, and eighty-six million dollars was used to offset some of the reductions that higher education was faced with. Senator Donahue said that he wasn't sure if he was addressing Ms. Simon's comments, but he thinks she is saying we need to do a better job of managing the money that the state has, and that we need to manage better with these funds in the future so that we are not in the same position again. He said that everyone agrees. As an observation, legislators are short term, and always dealing with what happened in the past. He could not agree with her more that the money needs to be set aside and not put into the budget.

Senator Mount stated that it's worth noting that there is around three billion dollars in trust funds. She said previous legislatures, because of citizens' involvement, through constitutional amendments, established a trust fund that the state has never touched. She thinks this speaks volumes, not only of the administration, but of the legislature as well, in continuing to support that process and anticipating the future, anticipating revenues, and expenditures, yet going through these times with

those trust funds intact. Secondly, she stated, in the past session there was much discussion about the issue of dealing with dedicated funds. She knows that healthcare and education are where cuts are dramatic, because everything else is dedicated. As discretionary funds are looked at, eighty-five percent of those funds are health and higher education. She would like to see a constitutional amendment passed to allow a ten percent cut across the board.

Representative Geymann wanted to emphasize that as the commission goes forward, they will need the help of the locals and the help of the public to support what they do, so that in 2016 or any other time in the future with these problems again. He said that as the commission tries to restructure, streamline and privatize, there will be resistance from the public because as this begins to "hit home," as it effects something that we like and rely on, there will be resistance. He encourages help from all supporters as the commission goes forward.

III. OTHER BUSINESS / ADJOURNMENT

There were no further business before the committee. Senator Donahue made a motion to adjourn. There being no objection, the meeting was adjourned at 10:15am.

NOVEMBER 3, 2009	
DATE APPROVED	Chairman Jack Donahue